



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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Heritage Bank, Olympia, Washington, Assumes All of the Deposits of Pierce Commercial Bank, Tacoma, Washington

FOR IMMEDIATE RELEASE

Pierce Commercial Bank, Tacoma, Washington, was closed today by the Washington Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Heritage Bank, Olympia, Washington, to assume all of the deposits of Pierce Commercial Bank.

The sole branch of Pierce Commercial Bank will reopen on Monday as a branch of Heritage Bank. Depositors of Pierce Commercial Bank will automatically become depositors of Heritage Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of Pierce Commercial Bank should continue to use their existing branch until they receive notice from Heritage Bank that it has completed systems changes to allow other Heritage Bank branches to process their accounts as well.

This evening and over the weekend, depositors of Pierce Commercial Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of September 30, 2010, Pierce Commercial Bank had approximately \$221.1 million in total assets and \$193.5 million in total deposits. Heritage Bank will pay the FDIC a premium of 1.0 percent to assume all of the deposits of Pierce Commercial Bank. In



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-244-2010

addition to assuming all of the deposits of the failed bank, Heritage Bank agreed to purchase essentially all of the assets.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-760-3641. The phone number will be operational this evening until 9:00 p.m., Pacific Daylight Time (PDT); on Saturday from 9:00 a.m. to 6:00 p.m., (PDT); on Sunday from noon to 6:00 p.m., Pacific Standard Time (PST); and thereafter from 8:00 a.m. to 8:00 p.m., PST. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/piercecommercial.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$21.3 million. Compared to other alternatives, Heritage Bank's acquisition was the least costly resolution for the FDIC's DIF. Pierce Commercial Bank is the 142nd FDIC-insured institution to fail in the nation this year, and the eleventh in Washington. The last FDIC-insured institution closed in the state was Shoreline Bank, Shoreline, on October 1, 2010.
